



State of Arizona  
Department of Education

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Superintendent of  
Public Instruction

Memorandum

July 13, 2005  
CACFP CN # 41-05  
CACFP Policy #05-10

To: Child and Adult Care Food Program Sponsoring Organizations

From: Mary Szafranski, Deputy Associate Superintendent  
Health and Nutrition Services

Melissa Steinle, Director  
Child and Adult Care Food Program

Subject: Block Claiming

Effective October 1, 2005, sponsoring organizations must comply with new regulatory requirements pertaining to conducting unannounced reviews of facilities as a result of a "block claim." A block claim is a claim with no variation in meal counts, for any single meal type or combination of meal types, for any continuous 15 day period within the claim month. The purpose of this memorandum is to provide additional guidance regarding conducting the required unannounced follow up reviews within 60 days of the submission of a block claim.

Sponsoring Organizations must conduct an unannounced follow up review each time a facility submits a block claim. However, if a sponsor is able to determine and document that there is a valid reason for the block claim, the sponsor is not required to conduct another "block claim related" unannounced follow up review of the facility for the remainder of that annual review cycle. USDA has determined that the intent of this requirement can be met, under certain circumstances, by permitting sponsors to evaluate and document the reason for a block claim prior to its submission. This will enable sponsoring organizations to provide effective oversight of Program integrity, while also promoting efficient use of sponsor resources.

Therefore, beginning with reviews conducted on or after August 1, 2005:

- if a sponsor conducting an unannounced review of a facility observes a block claim in the facility's meal/menu records,
- and the sponsor is able to determine and document that a valid reason exists for the block claim,
- then the sponsor will be exempt from conducting the follow up review, normally required to be conducted within 60 days of detecting the block claim, for the remainder of the current review year.

It is important to note that this guidance applies only to situations where the sponsoring organization determines the cause of a block claim during an unannounced review conducted prior to the facility's first submission of a block claim during the current review year. If a sponsor receives a meal count/claim from a facility that includes a block claim, the cause of which has not been determined prior to its submission, the sponsor must conduct an unannounced review of the facility within 60 days of receipt of its meal count/claim.

It is also important to clarify the meaning of "the remainder of the current review year". To provide some relief to sponsors in the initial stages of implementation, if a block claim is determined to be valid during August or September of 2005, the sponsor is exempt from conducting "block claim related" unannounced reviews through the remainder of the current review year, or for the remainder of a review year ending on September 30, 2006. Thus, if the review year runs from October 1, 2005-September 30, 2006, and a facility's block claim is determined to be valid in August or September of 2006, the sponsor is exempt from conducting a block claim related unannounced review of that facility until another block claim is detected on or after October 1, 2006. 3

Please note that "valid reasons" for the existence of a block claim that would exempt the sponsor from conducting additional unannounced follow up reviews for the 12-month period are limited to those reasons discussed in the preamble to the interim rule (69 FR 53501, September 1, 2004); in the questions and answers on that rule issued on September 1, 2004, and December 23, 2004; and in the training materials on the second interim rule that are being forwarded to State agencies in the near future. As is the case when sponsor monitors document a legitimate reason for submission of a block claim identified by an edit check, the reasons for a block claim identified prior to the submission of a block claim must also be specific to the facility, and must be well-documented.

This option is intended to allow for the most efficient use of sponsor resources, consistent with the need to properly implement this important integrity requirement. Please contact your assigned specialist or ADE Health and Nutrition office at 602.542.8700 if you have questions.

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